GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5938
ANSWERED ON:31.08.2001
INVESTMENT IN POWER PLANTS BY FIS
A.F. GOLAM OSMANI

Will the Minister of FINANCE be pleased to state:

(a) whether the Hyderabad based Lanco group a large borrower of funds from public sector financial institutions like IDBI and IFCI having net worth of less than Rs.45 crore had offered corporate guarantee upto Rs.700 crore to obtain loans; and

(b) if so, the funds which the, public sector banks and financial institutions so far invested in Lanco Group of companies and the terms and conditions thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b): IDBI and IFCI have also financed Lanco Kondapalli Power Corporation Ltd. (LKPCL). However, in accordance with the practices and usages customary amongst banks and in conformity with the provisions of statutes governing public sector banks and financial institutions as also the provisions of public Financial Institutions (obligation as to Fidelity and Secrecy) Act, 1983, details relating to individual constituents cannot be divulged.